

AFFIDAVIT OF FBI SPECIAL AGENT MARK ALFORD

I, Mark W. Alford, being duly sworn, do depose and say under the pains and penalties of perjury that the following is true to best of my knowledge:

1. I am an agent of the Federal Bureau of Investigation since 1997. In my employment as a special agent I have participated in numerous investigations of violations of the Title 21 of the United States Code relating to the distribution of controlled substances. The information set forth in this affidavit concerns a conspiracy to distribute cocaine, a Schedule II controlled substance.

2. The information set forth in this affidavit is based on information provided to me by agents of the FBI who are directly involved in an investigation of a cocaine importation scheme involving the Sinaloa Cartel. This affidavit does not provide all the information learned during the investigation, but only such information that establishes probable cause for the issuance of a complaint charging JESUS GONZALO PALAZUELOS SOTO with conspiracy to distribute five kilograms or more of the controlled substance cocaine.

3. Beginning in 2009 and continuing on to the present, a confidential human source (CHS) and undercover agents of the FBI (UCEs) have been meeting with representatives of the Sinaloa Cartel concerning the importation of cocaine into the United States through Spain. Meetings concerning the importation scheme have occurred in Mexico, Spain, the Virgin Islands, Florida, and New Hampshire. The Sinaloa Cartel has been represented by JESUS MANUEL GUTIERREZ GUZMAN, the first cousin of JOAQUIN GUZMAN-LOERA, also known as (aka) CHAPO, SAMUEL ZAZUETA VALENZUELA, RAFAEL HUMBERTO VALENZUELA and others. Many of these meetings have been audio and video recorded.

4. On May 31, 2012, the CHS and an FBI UCE met with JESUS MANUEL GUTIERREZ GUZMAN in Phoenix, Arizona (AZ). GUTIERREZ GUZMAN said the Sinaloa Cartel intended to send the UCEs 300 kilograms (kg) of cocaine from a port in Brazil to Algeciras, Spain, using a new exportation company. This shipment was to be the first of many future shipments of cocaine. The meeting was audio and video recorded.

5. On June 1, 2012, an UCE received an e-mail from CARLOS KARPAVICIUS from the address . KARPAVICIUS said he represented a glass exportation company in Brazil, which appeared to ship items such as cups, glasses and vases. He said his company wanted to establish a business relationship with the UCEs. He said the company shipped products to Europe as well as North America.

6. On June 29, 2012, the UCEs wired KARPAVICIUS 11,305.00 Euros for a shipment of glassware from his company, Cristerlia Celta, in Brazil.

7. On July 2, 2012, KARPAVICIUS sent an e-mail to the UCEs. He said the shipment was scheduled to depart Brazil on July 15 and arrive at the port in Algeciras, Spain, no later than July 27.

8. On July 11, 2012, a grand jury in the District of New Hampshire returned superseding indictment charging GUTIERREZ GUZMAN, ZAZUETA VALENZUELA, HUMBERTO VALENZUELA, and others with one count of conspiracy to possess with the intent to distribute heroin, methamphetamine and 1,000 kg or more of cocaine, all in violation of Title 21 U.S.C. section 846 and 841(a).

9. On July 17, 2012, SAMUEL ZAZUETA VALENZUELA sent a UCE a text message. In coded language, ZAZUETA VALENZUELA told the UCE the container held 350 kg of cocaine. ZAZUETA VALENZUELA also said GUTIERREZ GUZMAN needed a favor. ZAZUETA VALENZUELA said the exporter in Brazil, who ZAZUETA VALENZUELA referred to as "Globo," sent an unidentified male (UNSUB) to Spain from Brazil. ZAZUETA VALENZUELA asked if the UCEs could send someone to take the UNSUB to his hotel and provide him with a telephone.

10. On July 17, 2012, the CHS spoke with ZAZUETA VALENZUELA via telephone. The call was audio recorded. In coded language, the CHS said a UCE had notified him about the UNSUB the Sinaloa Cartel was sending to Madrid, Spain. Individual explained the UCEs did not want anyone in Madrid who could jeopardize the shipment. ZAZUETA VALENZUELA said he understood but explained "decisions were made" and the cartel had decided to send the UNSUB from Brazil. ZAZUETA VALENZUELA said he was due to arrive on July 18.

11. On July 18, 2012, KARPAVICIUS sent a UCE an e-mail from . The e-mail contained the bill of lading for the shipment from the port in Santos, Brazil, to Algeciras, Spain. The bill of lading stated the number of the container holding the merchandise was APMU2824785.

12. On July 19, 2012, the CHS received an e-mail from ZAZUETA VALENZUELA. The message advised of the location of the UNSUB in Spain, who was sent there by the Sinaloa Cartel. The UNSUB was in room 307 at the Hotel All Seasons Madrid Prado, Calle Prado, 11, Madrid, Spain.

13. On July 20, 2012, the CHS received an e-mail from ZAZUETA VALENZUELA. The message advised the UNSUB's name was GONZALO PALAZUELOS.

14. On July 20, 2012, Special Agent (SA) Tucker J. Heap, FBI, forwarded the information regarding PALAZUELOS to the FBI Legal Attache's office at the U.S. Embassy in Madrid, Spain. The office sent the information to the Spanish National Police (SNP) for further identification. The SNP provided the following information regarding the PALAZUELOS:

JESUS GONZALO PALAZUELOS SOTO

Date of birth: 1963

Place of birth:

Passport number:

15. The SNP advised SOTO had arrived in Madrid, Spain, via a direct flight from Sao Paulo, Brazil, on July 18, 2012. The SNP confirmed SOTO was staying at the All Season Madrid Prado Hotel and had provided _____ as his e-mail address upon check-in on July 18, 2012. As noted earlier in this affidavit, _____ is the e-mail address the UCEs used to contact KARPAVICIUS in Brazil.

16. On July 21, 2012, ZAZUETA VALNEZUELA texted a UCE. He said SOTO had moved to another hotel located on Prado Street. He said the name of the hotel was the "Vinssi." Open source data base checks showed the hotel was the Vincci Soho Hotel, Calle Prado, 18, Madrid, Spain.

17. On July 27, 2012, the SNP confirmed container APMU2824785 had arrived at the port in Algeciras, Spain.

18. On July 28, 2012, personnel from the FBI, SNP and Spanish Customs searched the contents of container APMU2824785 at the port in Algeciras, Spain. The search resulted in the seizure of 346 kg of a substance believed to be cocaine. The 346 kg were found inside 14 unmarked boxes. The remaining boxes of various sizes held glass cups and bowls within boxes marked "Celta." The SNP conducted a field test of a random sample taken from the 346 kg, which was positive for the presumptive presence of cocaine HCL. The 346 kg were processed at the scene then transported back to the evidence control room at SNP headquarters in Madrid, Spain, that same day.

19. On July 31, 2012, the SNP confirmed GUTIERREZ GUZMAN and ZAZUETA VALENZUELA had arrived in Madrid, Spain. The SNP provided the FBI with a report regarding their activities on July 30. The report contained a still photograph taken from the CCTV camera in the lobby of the Vincci Soho Hotel in Madrid. The photograph was of ZAZUETA VALENZUELA and GUTIERREZ GUZMAN. The report stated they approached the front desk, asked for SOTO and then had the front desk call his room. SOTO did not answer the call. The report stated ZAZUETA VALENZUELA and GUTIERREZ GUZMAN walked up to SOTO's room to find him. Five minutes later, they returned to the front desk. They wrote a note to Soto explaining they were his "compatriots" and would return at a later hour.

20. On July 31, 2012, a UCE had a text exchange with ZAZUETA VALENZUELA. In coded language, ZAZUETA VALENZUELA stated GUTIERREZ GUZMAN wanted to know if the 350 "boxes of wine" were alright. The UCE understood this to mean GUTIERREZ GUZMAN wanted to know if the UCEs had safely removed the 350 kg of cocaine from the container in Algeciras, Spain. The UCE said yes then advised his people had found only 346 "boxes of wine" in the container, not 350.

ZAZUETA VALENZUELA disputed the UCEs' final count. ZAZUETA VALENZUELA said they were currently with the man who organized the shipment from Brazil. The man said there were "14 boxes" with "25" in each box that were loaded onto the container. The UCE understood this to mean SOTO was with GUTIERREZ GUZMAN and ZAZUETA VALENZUELA. The UCE also understood this to mean SOTO had personally witnessed the preparation of the shipment from Brazil containing the cocaine. The UCE and ZAZUETA VALENZUELA ended the text exchange by agreeing to discuss the matter in person when the UCEs arrived in Madrid later that week.

21. On August 4, 2012, GUTIERREZ GUZMAN and ZAZUETA VALENZUELA introduced the CHS to SOTO in Madrid, Spain. The conversation was audio recorded. SOTO said his name was "Jesus Gonzalo Palazuelos Soto." The CHS asked SOTO why the shipment had arrived from Brazil with 346 kg of cocaine instead of 350 kg. SOTO said he believed the people in Brazil who were put in charge of loading the cocaine into the container stole the 4 kg of cocaine. SOTO said the problem with the theft was being dealt with in Brazil. SOTO assured the CHS a theft would not happen with future shipments because SOTO would personally oversee the loading of each container in Brazil. The CHS explained he did not want SOTO to believe his people were trying to steal anything. SOTO insisted this was not the case. SOTO explained he was told there was something missing from the load but didn't want to give the impression that he was questioning the CHS or his associates.

22. Title 21, United States Code, Section 846, provides that it is a crime to conspire to commit an offense under Subchapter I of Chapter 13 of Title 21. Title 21, United States Code, Section 841(a), which is part of Subchapter I of Chapter 13 of Title 21, makes it an offense to distribute or possess with the intent to distribute a controlled substance. Based on the information set forth above, I believe there is probable cause to believe that JESUS GONZALO PALAZUELOS SOTO has conspired to possess with the intent to distribute cocaine in violation of Title 21, Section 846 and 841(a). I, therefore, respectfully request this Honorable Court issue a complaint charging JESUS GONZALO PALAZUELOS SOTO with a violation of Title 21, United States Code, Section 846 841(a) and issue a warrant for SOTO's arrest.

/s/ Mark Alford

Mark Alford, Special Agent
Federal Bureau of Investigation

Subscribed and sworn to before me on August 6, 2012 at Concord, New Hampshire.

Honorable Landya B. McCafferty
United States Magistrate Judge